

STAND. COM. REP. NO. 2724

Honolulu, Hawaii

MAR 05 2026

RE: S.B. No. 2360
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2360, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the State's Enterprise Zones Program to provide targeted support for Hawaii's developing industries.

Specifically, this measure:

- (1) Expands eligible business activity within an enterprise zone to include:
 - (A) The sale of certain tangible personal property manufactured and sold at retail in an enterprise zone;
 - (B) The production of value-added agricultural products; and
 - (C) The provision of certain professional services by health care professionals; and
- (2) Increases the eligibility period for the state business tax credit and general excise tax exemption for



qualified businesses within the State's Enterprise Zones.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Business Development and Support Division of the Department of Business, Economic Development and Tourism; County of Hawaii Department of Research and Development; Retail Merchants of Hawaii; Hawaii Food Industry Association; Holomua Collaborative; Mana Up; aio; Title Guaranty of Hawaii; Maui Chamber of Commerce; Hawaii Farm Bureau; Chamber of Commerce Hawaii; and one individual.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that expanding and modernizing the State's Enterprise Zones Program will help to diversify Hawaii's economy by supporting emerging manufacturing and agricultural industries. Your Committee further finds that extending eligibility periods for the state business tax credit will help to reduce the tax burden of companies that invest heavily in equipment, facilities, and workforce training before reaching full production scale.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2360, S.D. 1, and recommends that it pass Third Reading.

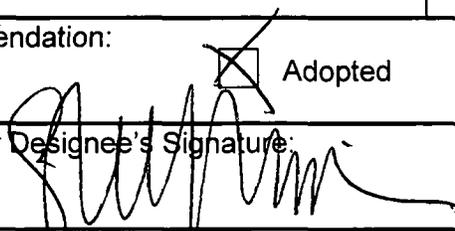
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2360, SDI	EDT, WAM	3/2/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes